

January 30, 2007

Claire P. McGrath
Senior Vice President and General Counsel
American Stock Exchange
86 Trinity Place
New York, NY 10006

**Re: Extension of the Exemption from the Order Protection Provisions of the
Intermarket Trading System (“ITS”) Plan with Respect to Single-Priced Closing
Transactions**

Dear Ms. McGrath:

On November 17, 2006, the Commission granted to the American Stock Exchange LLC (“Amex” or “Exchange”) exemptions pursuant to Rule 608(e) under the Securities Exchange Act of 1934 (“Act”)¹ from certain provisions of the ITS Plan, in connection with the implementation of the pilot for the initial version of AEMISM (“AEMI”), the Exchange’s new hybrid market trading platform (“AEMI-One”).² Specifically, the Commission granted the exemptions from Section 8(d)(i) (Trade-Throughs; Locked Markets) and Exhibit B of the ITS Plan, with respect only to single-priced closing transactions, because the AIME-One programming does not include auto-routing to other market centers to avoid a trade-through in connection with the Exchange closing transactions.³

The Commission granted the exemptions through February 4, 2007, one day before the established Trading Phase Date for Regulation NMS.⁴ On January 24, 2007, the Commission

¹ 17 C.F.R. § 242.608(e). Rule 608(c) requires each participant in a national market system plan to comply, and enforce compliance with, the plan by its members and their associated persons. Rule 608(e) establishes the Commission’s authority to exempt any self-regulatory organization (“SRO”) or SRO member from the requirements of the Rule.

² See Securities Exchange Act Release No. 54709 (Nov. 3, 2006), 71 FR 65847 (Nov. 9, 2006) (approving AEMI-One).

³ See letter from Katherine A. England, Assistant Director, Division of Market Regulation, Commission, to Claire P. McGrath, Senior Vice President and General Counsel, Amex, dated November 17, 2006.

⁴ Trading Phase Date is the required date for full operation of Regulation NMS-compliant trading systems of all automated trading centers that intend to qualify their quotations for

extended the Trading Phase Date.⁵ Accordingly, the Commission hereby extends the previously granted exemptions to Amex, effective February 5, 2007 up to the Trading Phase Date. These exemptions are subject to modification or revocation at any time, however, if the Commission determines that such action is necessary or appropriate to further the purposes of the Act.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Katherine A. England
Assistant Director

trade-through protection under Rule 611. See Securities Exchange Act Release No. 53829 (May 18, 2006), 71 FR 30038 (May 24, 2006).

⁵ See Securities Exchange Act Release No. 55160 (January 24, 2007) (extending the Trading Phase Date until March 5, 2007).

⁶ See 17 CFR § 200.30-3(a)(27).

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Senior Vice President and General Counsel
American Stock Exchange
86 Trinity Place
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Dear Ms. McGrath:

On November 17, 2006, the Commission granted to American Stock Exchange LLC (“Amex” or “Exchange”), a limited exemption¹ pursuant to Rule 608(e) under the Securities Exchange Act of 1934 (“Act”)² from certain trade-through provisions of the ITS Plan, in connection with implementation of an initial version of the Exchange’s new “AEMI” hybrid market trading platform (“AEMI-One”). Specifically, the Commission granted an exemption from Section 8(d)(i) (Trade-Throughs; Locked Markets) and Exhibit B of the ITS Plan, with respect only to single-priced closing transactions.

In addition, on November 17, 2006, the staff of the Division of Market Regulation issued a letter stating that it would not recommend enforcement action to the Commission under Section 19(g)(1) of the Act if Amex did not enforce compliance with the portion of Amex Rule 236 (“Trade-Through Rule”) with respect only to single-priced closing transactions.³

¹ See letter from Katherine A. England, Assistant Director, Division of Market Regulation (“Division”), Commission, to Claire P. McGrath, Senior Vice President and General Counsel, Amex, dated November 17, 2006.

² 17 C.F.R. § 242.608(e). Rule 608(c) requires each participant in a national market system plan to comply, and enforce compliance with, the plan by its members and their associated persons. Rule 608(e) establishes the Commission’s authority to exempt any self-regulatory organization (“SRO”) or SRO member from the requirements of the Rule.

³ See letter from Katherine A. England, Assistant Director, Division, Commission, to Claire P. McGrath, Senior Vice President and General Counsel, Amex, dated November 17, 2006.

The Commission granted the exemptions through February 4, 2007, one day before the established Trading Phase Date for Regulation NMS.⁴ On January 24, 2007, the Commission extended the Trading Phase Date.⁵ Accordingly, the staff of the Division of Market Regulation is hereby extending up to the Trading Phase Date the time period during which it will not recommend enforcement action to the Commission under Section 19(g)(1) of the Act if Amex does not enforce compliance with the portion of Amex Rule 236 with respect only to single-priced closing transactions.

This staff position is limited to enforcement action under Section 19(g)(1) of the Act and does not purport to express any legal conclusions with respect to the applicability of the statutory or regulatory provisions of the federal securities laws. The Staff's position is subject to modification or revocation at any time if the Commission or the Staff determines that such action is necessary or appropriate, in furtherance of the purposes of the Act.

Sincerely,

Katherine A. England
Assistant Director

⁴ Trading Phase Date is the required date for full operation of Regulation NMS-compliant trading systems of all automated trading centers that intend to qualify their quotations for trade-through protection under Rule 611. See Securities Exchange Act Release No. 53829 (May 18, 2006), 71 FR 30038 (May 24, 2006).

⁵ See Securities Exchange Act Release No. 55160 (January 24, 2007), 72 FR 4202 (January 30, 2007) (extending the Trading Phase Date until March 5, 2007).